

FISCAL IMPACT STATEMENT ON BILL NO. **S214**

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TO: The Honorable John E. Courson, Chairperson, Senate Committee on Education
FROM: Office of State Budget, Budget and Control Board
ANALYSTS: Trey Kannaday
DATE: April 5, 2007 SBD: 2007286

AUTHOR: Senator Hawkins PRIMARY CODE CITE: 59-67-420
SUBJECT: School Transportation

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

A Cost to the General Fund (See Below)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

BILL SUMMARY:

Senate Bill 214 provides that the State assumes no obligation to transport any child who lives within one-half of a mile of the school he attends. This reduces the transportation area for which the State is not responsible from one and one-half miles to one-half of a mile.

EXPLANATION OF IMPACT:

The State Department of Education (SDE) estimates this Bill would impact 13,000 daily bus routes and would lengthen each route by approximately one mile and 15 minutes. Total additional school bus miles traveled based on 180 school days would be 2,340,000. The total cost per mile covered by state appropriations is estimated at \$1.13 which includes 70 cents (\$.70) per mile for direct operating expenses and forty-three cents (\$.43) per mile for depreciation. Therefore, total cost to the state can be estimated at \$2,644,200 including depreciation. Operating costs (fuel, parts, maintenance, etc.) alone are estimated at \$1,638,000 (2,340,000 miles X \$.70 per mile).

In order to avoid extending existing bus routes by an average of 15 minutes each, the State could choose to purchase additional school buses to transport the extra students and travel the additional miles. SDE estimates as many as 977 additional buses may be needed to avoid extending bus routes. The cost of a new school bus is estimated at \$70,000 each.

SPECIAL NOTES:

Assuming bus drivers' salaries would be increased to compensate for the additional hours SDE estimates local school district costs would increase by \$2.5 million if the State chose not to purchase additional buses and extended existing bus routes instead.

Approved by:



Harry Bell
Assistant Director, Office of State Budget